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Dwight D. Chenette
Chief Executive Officer

September 12, 2008

Ms. Ruth Clements
Department Director, Land Acquisition
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, Florida 33406

RE: Western Regional Hospital

Dear Ms. Clements:

The Health Care District of Palm Beach County is making great progress on the construction of a new regional hospital to serve the communities surrounding Lake Okeechobee. Prior to the Government's announcements, the Health Care District was in active discussions with United States Sugar Corporation in order to secure land adjacent to the new hospital on Hooker Highway. The future land use of these properties will prove critical to the new hospital's survival.

Please allow me to emphasize the significance of this matter with the following brief history. The Health Care District acquired Glades General Hospital in 2004 after a for-profit company decided to exit because of the difficult nature of the marketplace. Under the public ownership, it became apparent that the aged physical plant originally constructed in 1946 needed to be replaced. The Health Care District is now under construction of a 70 bed hospital with appropriate ancillary facilities to service the region. Construction cost of the new hospital is expected to be approximately \$70 million.

The hospital and the entire delivery system in the Glades have historically struggled financially. During fiscal year 2007-2008 the Health Care District subsidized hospital losses in excess of \$7.5 million. The marketplace is difficult at best. The median income is \$21,153 per year, 92% of youth qualify for free or reduced lunch and 54% of the population live 200% below the federal poverty level. A disproportionate share of the folks who depend on our hospital are Medicaid recipients, depend on local health coverage or charity care. Among community specific health challenges are diabetes, HIV/AIDS, low birth weight babies and a prevalence of other chronic diseases.

*Please set
up meeting
w/ me + Deena
with Mr
Chenette -
Copy Deena -*

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ACQUISITION

cc: Deena
Reppen

Ms. Ruth Clements
Re: Interlocal Agreement for Land Use
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Frankly, given the nature of this marketplace we have tremendous concerns about profit-motivated competitors locating on adjacent land now owned by United States Sugar Corporation and offering boutique medical services and "cherry picking" the profitable services to the insured.

Therefore, I would appreciate an opportunity to meet with you regarding this critical matter in order to explore the Health Care District's interest in protecting this extremely fragile healthcare delivery system.

Please contact my assistant Mary Houston at (561) 659-1270, extension 5521 to schedule a mutually convenient time.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. Chenette", with a stylized flourish at the end.

Dwight D. Chenette
Chief Executive Officer

DDC/mh

C: Palm Beach County Legislative Delegation